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BELGRADE FOR MUNTER, ZAGREB FOR BRADTKE

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SUBJECT: BOSNIA - SCENESETTER FOR THE JANUARY 13-14 VISIT  
OF AMBASSADORS BRADTKE AND MUNTER

Classified By: Ambassador Charles English. Reasons 1.4 (b) and (d).

1. (C) SUMMARY: Bob, Cameron -- I look forward to welcoming you to Sarajevo next week for the NATO HQ Sarajevo change-of-command ceremony and our joint meeting with Admiral Fitzgerald. I am also pleased that you both have the time for some additional meetings, particularly a lunch with political party leaders, which I hope will provide you with additional insight into the state of affairs here. In a nutshell, Bosnia is in a continuing political tailspin. The Bosnian state still struggles to perform the function necessary to sustain itself -- let alone propel the country towards EU and NATO membership -- and the country remains deeply divided along ethnic lines. Republika Srpska (RS) PM Milorad Dodik is largely responsible for creating this impasse, which he has then used, along with Bosniak member of the Tri-Presidency Haris Silajdzic's anti-RS agenda, to justify building up RS competencies at the expense of the state and stoking Serb separatism. Dodik's end game, at the very least, appears to be a return to the level of autonomy the RS enjoyed immediately after the 1992-1995 war, making Bosnia an unworkable state. The November 2008 Prud Agreement reached by Dodik, Sulejman Tihic, President of the Bosniak Party for Democratic Action (SDA), and Dragan Covic, President of the Croatian Democratic Union (HDZ-BiH) opened a small window of opportunity to reach meaningful compromise on several critical issues facing the country. Unfortunately, Prud thus far has failed to realize even its limited promise, and it is increasingly in danger of collapse. This is the political climate in which we, our European partners and OHR will have to press Bosnian political leaders to fulfill the Peace Implementation Council's (PIC) 5-plus-2 agenda over the next three months. Full implementation of 5-plus-2 is essential for a successful OHR-EUSR transition and for ensuring the EU is in the best possible position to manage post-OHR Bosnia. END SUMMARY

The Serbs: Our Dodik Problem  
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2. (C) Our biggest problem in Bosnia is Dodik. For almost two years, he has engaged in a systematic campaign -- both through his statements and his actions -- designed to de-legitimize and undermine the state. Though he has been quick to deny that this is his goal, Dodik has regularly raised the prospect of an RS future outside Bosnia, including the possibility of an RS referendum on secession. In the run up to and the first few weeks after the November 2008 PIC, Dodik stepped back from several RS-state confrontations and signed the Prud Agreement, and after railing against "Muslim judges" in mid-December, he promised the HighRep that he would "keep quiet" for several months. Our judgment is that tactical considerations, rather than a change in strategic direction, have driven these decisions. In the past couple weeks, Dodik -- perhaps because he just cannot help himself -- ratcheted up his anti-state, nationalist rhetoric yet

again (the half-life on a Dodik promise is getting shorter and shorter). This included attacks on his supposed Prud partner Tihic.

¶3. (C) Though Dodik will not be attending our lunch, you will meet Mladen Ivanic, leader of the Party of Democratic Progress (PDP) (and former Bosnian Foreign Minister), who serves in coalition with Dodik's Alliance of Independent Social Democrats (SNSD) in the state and RS governments. Ivanic is a keen (and even-keeled) observer of the RS political scene, and despite his recent conviction at the State Court on corruption charges, he is generally regarded as more progressive than Dodik. That said, at his core, Ivanic is a political opportunist, always looking for a position in government, and he will not jump on sensitive issues without broader Serb political. Ivanic and other in his party are increasingly unhappy with Dodik, who has used his party's political strength to, at times, run rough shod over PDP and its interests despite their coalition agreement. Ivanic has mused publicly and privately about breaking the coalition with SNSD.

Bosniaks: Tihic Steps Out  
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¶4. (C) Silajdzic's rhetoric and tactics have not changed since he returned to politics in 2006. For two years, he has made repeated references to the RS as a genocidal creation and to collective Serb guilt for the atrocities committed during the war, promoted constitutional reform that would eliminate many of Dayton's ethnic protections, and pursued an "all or nothing" approach to compromise on other key reforms. Silajdzic has claimed that his approach was the only way to protect Bosniak interests and ensure the development of a flourishing, tolerant, multiethnic Bosnian democracy. We are further from that than we were two years ago, but Silajdzic has managed to provide Dodik with the perfect foil. Dodik has used Silajdzic's rhetoric to bolster his claim that Bosnian Serbs will never be accepted inside Bosnia and that the RS must consider "alternative paths." As a consequence of Silajdzic's failure to deliver, there has been growing discontent among Bosniaks with his leadership.

¶5. (C) This widespread discontent was reflected in the October 2008 municipal elections in which Tihic's SDA trounced Silajdzic's Party for BiH (SBiH). Silajdzic has also fallen out of favor with Dnevni Avaz, the country's most influential pro-Bosniak daily. This created the political opening Tihic needed to sign the politically risky (for him) Prud Agreement. Tihic, who you will see at lunch, doubled-down on Prud with a December 26 speech calling on Bosniaks to abandon the politics of victimization and work towards compromise with Serbs and Croats. Tihic has taken it on the chin from Silajdzic and more conservative Bosniaks (including some within his own party) for both. He now has more invested in Prud than either Dodik or Covic, and is likely to suffer more serious political consequence than either of his Prud partners if the agreement collapses.

Lagumdzija: The "Opposition"  
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¶6. (C) The other prominent figure in Bosniak political figure is Zlatko Lagumdzija, leader of the multi-ethnic Social Democratic Party (SDP) (but in fact largely Bosniak), which is in opposition both at the state level and in the Federation. Lagumdzija has seen his party through two major national election defeats, and SDP garnered mediocre results in the 2008 municipal elections. He is the declared nemesis of Avaz owner Radoncic and several key officials within SDA, making a coalition with SDA -- or even close cooperation -- nearly impossible. Moreover, Lagumdzija has been wholly unconstructive in opposition, seeing it as his duty to oppose initiatives proposed by the government even if his party supports the substance of those initiatives. His view, and he will likely be eager to share it with you over lunch, is that if he lets the ruling coalition fail, Bosnians will usher the "blameless" SDP into power in the 2010 national

election. Despite the widespread view outside the party that Lagumdžija is destroying SDP, he maintains the support of a large portion of the party.

#### Croats: Battle of the HDZs

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17. (C) The wartime HDZ-BiH reemerged in the October 2008 municipal elections as the strongest Croat party. HDZ-BiH's erstwhile rival, the staunch nationalist HDZ-1990, fared poorly in the October elections. HDZ-1990 is struggling -- thus far unsuccessfully -- to recapture Croat hearts and minds, mainly by seeking to play the Croat nationalist card (e.g., its recent endorsement of an Inter-Cantonal Council among three of the majority or predominately Croat Cantons -- something that looks an awful lot like the germ of a third entity to Croat voters). For now, HDZ-BiH leader Dragan Covic has some room to maneuver. Despite the problems Prud has encountered, he has been positive with us about its prospects, but he and his party, which will be represented at lunch by HDZ-BiH state Minister of Finance Dragan Vrankic, do not trust Dodik and are eager to keep the pressure on him to live up to the "spirit of Prud."

18. (U) I look forward to seeing you Tuesday and Wednesday. We should have an interesting day. Best, Chuck.  
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